

Exhibit A

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-Q**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2022
OR

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____
Commission File Number: 001-39645

GUILD HOLDINGS COMPANY
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
5887 Copley Drive
San Diego, California
(Address of principal executive offices)

85-2453154
(I.R.S. Employer
Identification No.)

92111
(Zip Code)

Registrant's telephone number, including area code: (858) 560-6330

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, \$0.01 par value per share	GHLD	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No x

As of May 2, 2022, the registrant had 20,723,912 shares of Class A common stock outstanding and 40,333,019 shares of Class B common stock outstanding.

not be able to achieve anticipated benefits from the RMS acquisition or other future acquisitions or investments.

- The coronavirus ("COVID-19") pandemic has had, and will likely continue to have, an adverse effect on our business.
- Pressure from existing and new competitors may adversely affect us.
- Our failure to maintain or grow our historical referral relationships with our referral partners may materially and adversely affect us.
- Servicing advances can be subject to delays in recovery or may not be recoverable at all.
- From time to time our estimates of the fair value of certain assets prove to be inaccurate and we are required to write them down.
- The success and growth of our business will depend upon our ability to adapt to and implement technological changes.
- Our business may be materially and adversely affected by a cybersecurity breach or other vulnerability involving our computer systems or those of certain of our third-party service providers.
- Operating and growing our business may require additional capital that may not be available.
- We are subject to certain operational risks, including employee or customer fraud, the obligation to repurchase sold loans in the event of a documentation error, and data processing system failures and errors.
- We are periodically required to repurchase mortgage loans, or indemnify purchasers of our mortgage loans, including if these loans fail to meet certain criteria or characteristics.
- Seasonality may cause fluctuations in our financial results.
- If we fail to protect our brand and reputation, our ability to grow our business and increase the volume of mortgages we originate and service may be adversely affected.
- We may fail to comply with the complex legal and regulatory framework (including state licensing requirements) governing our mortgage loan origination and servicing activities.
- We are controlled by McCarthy Capital Mortgage Investors, LLC ("MCMCI"), and MCMCI's interests may conflict with our interests and the interests of our other stockholders.
- We are a "controlled company" and rely on exemptions from certain corporate governance requirements that provide protection to stockholders of other companies.
- Our directors and executive officers have significant control over our business.
- We are a holding company and depend upon distributions from Guild Mortgage Company LLC ("GMC") to meet our obligations.
- We have a dual class common stock structure.
- We identified material weaknesses in our internal control over financial reporting.

Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business, financial condition, results of operations and cash flows.

GUILD HOLDINGS COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except as otherwise indicated)
(Unaudited)

NOTE 1 - BUSINESS, BASIS OF PRESENTATION, AND ACCOUNTING POLICIES

Guild Holdings Company, including our consolidated subsidiaries (collectively, "Guild", the "Company", "we", "us" or "our") originates, sells, and services residential mortgage loans within the United States.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC") and in accordance with U.S. generally accepted accounting principles ("GAAP") applicable to interim financial statements. These unaudited condensed consolidated financial statements reflect all normal recurring adjustments that are, in the opinion of management, necessary for a fair presentation of the results of the interim period. The condensed consolidated balance sheet data as of December 31, 2021 was derived from audited financial statements but does not include all disclosures required by GAAP. These unaudited condensed consolidated financial statements should be read in conjunction with our consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2021. The Company follows the same accounting policies for preparing quarterly and annual reports.

Principles of Consolidation

The Company's consolidated financial statements include the accounts of the Company, Guild Mortgage Company LLC ("GMC") and their consolidated subsidiaries and those variable interest entities ("VIE") where the Company is the primary beneficiary.

Generally, a VIE is a legal entity in which the equity investors do not have the characteristics of a controlling financial interest or lack sufficient equity at risk for the entity to finance its activities without additional subordinated financial support. In determining whether we are the primary beneficiary of a VIE, we consider qualitative and quantitative factors, including, but not limited to: which activities most significantly impact the VIE's economic performance and which party controls such activities; the amount and characteristics of our investment; the obligation or likelihood for us or other investors to provide financial support; and the similarity with and significance to our business activities and the business activities of the other investors.

The Company consolidates one VIE. At March 31, 2022, the VIE had minimal assets and liabilities.

All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although management is not currently aware of any factors that would significantly change its estimates and assumptions, actual results could materially differ from those estimates.

Beginning in early 2020 and continuing through 2022, the coronavirus ("COVID-19") pandemic, including the emergence of new variants and strains of COVID-19, has presented a substantial public health challenge throughout the United States. The Company remains fully functional in both its origination and servicing operations. The Company continues to monitor guidance published by the World Health Organization, Centers for Disease Control and Prevention, local and federal government agencies and the Mortgage Bankers Association and is in continual communication with its investors regarding the developments in the mortgage industry.

Escrow and Fiduciary Funds

As a loan servicer, the Company maintains segregated bank accounts in trust for investors and escrow balances for mortgagors, which are excluded from the Company's Condensed Consolidated Balance Sheets. These accounts totaled \$1.0 billion and \$1.1 billion at March 31, 2022 and December 31, 2021.

Recent Accounting Standards

In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2020-4, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides temporary optional expedients and exceptions to the US GAAP guidance on

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Quarterly Report to be signed on its behalf by the undersigned thereunto duly authorized.

GUILD HOLDINGS COMPANY

Dated: May 6, 2022

By: /s/ Mary Ann McGarry
Name: Mary Ann McGarry
Title: Chief Executive Officer

Dated: May 6, 2022

By: /s/ Desiree A. Kramer
Name: Desiree A. Kramer
Title: Chief Financial Officer

Exhibit 10.1

February 28, 2022

Guild Mortgage Company, LLC
5887 Copley Drive
San Diego, California 92111
Attention: Legal Department
E-mail: legal@guildmortgage.net

Ms. McGarry:

Reference is hereby made to that certain Merger Agreement dated as of May 10, 2021 (the "Merger Agreement"), by and among Guild Mortgage Company LLC, a California limited liability company ("Buyer"), Project Regal Merger Sub, Inc., a Delaware corporation, Residential Mortgage Services Holdings, Inc., a Delaware corporation, RMS Shareholder Representative, LLC, a Delaware limited liability company, and, solely for purposes of Sections 4.20, 9.1, 9.7 and 9.18, Guild Holdings Company, a Delaware corporation. Capitalized terms not defined herein shall have the meanings defined in the Merger Agreement.

The parties acknowledge that (i) the Retention Bonus Holdback Amount as set forth in the Merger Agreement was an amount equal to \$3,900,000, of which \$2,000,000 (the "Initial Sales Bonus Amount") was allocated as bonuses to sales employees located at the RMS Branches, (ii) the Retention Bonus Holdback Amount has been released prior to the date hereof, (iii) at the direction of Seeley, the Buyer has paid additional special bonuses in excess of the Initial Sales Bonus Amount to sales employees located at the RMS Branches prior to the date hereof (such amounts in excess of the Initial Sales Bonus Amount, the "Excess Amount"); and (iv) Seeley and Buyer believe that it may be necessary and advisable to pay further special bonuses to the sales employees located at the RMS Branches in an amount that will be determined by Seeley and Buyer (any bonuses actually paid by Buyer, the "Future Sales Bonuses"). In recognition of the foregoing, the parties hereby agree as follows:

- (a) The aggregate Earnout Payments due to be paid to the Holders pursuant to Section 2.12 of the Merger Agreement shall be reduced by \$3,000,000 (the "Earnout Setoff"), with such reduction applied to the first annual Earnout Period and any subsequent Earnout Periods on an accrual basis in accordance with GAAP consistently applied and in a manner consistent with Buyer's historical practices; and
- (b) All bonus payments representing the Excess Amount (*less* the amount of the Earnout Setoff) and all Future Sales Bonuses shall be treated as "Expenses" against the Earnout Payments pursuant to Section (c) of Exhibit I attached to the Merger Agreement.

Sections 9.2 through 9.17 of the Merger Agreement are incorporated herein by reference and made a part hereof.

If you are in agreement with the foregoing, kindly so indicate by signing and returning a copy of this agreement to the undersigned whereupon this agreement shall become binding as of the date first written above.

[Signature Page follows]

IN WITNESS WHEREOF, the parties hereto, each intending to be legally bound hereby, have executed or caused this letter agreement to be executed as of the date first above written.

RMS SHAREHOLDER REPRESENTATIVE, LLC, as Shareholder Representative

/s/ Brendan Moore
Name: Brendan Moore
Title: President

Accepted and Agreed:

Guild Mortgage Company LLC

By: /s/ Mary Ann McGarry
Name: Mary Ann McGarry
Title: Chief Executive Officer